8502435/2024/INFRA-INC01

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Land Allotments - APIIC - M/s. Anrak Aluminium Limited - Consideration of the (i) Request for allotment of Addl. land of 479.08 acre (Ac. 306.39+ Ac. 172.69) in favour of M/s. Pioneer Aluminium Industries Ltd., for railway sliding, Raw Material Unloading & Storage, Burnt Lime, Locomotive and General Workshop, Green belt, etc - (ii) Request for change in name of the Company from M/s. Anrak Aluminium Ltd. to M/s. Pioneer Aluminium Industries - (iii) Request for waiver of Process Fee and Service Charges including Waiver of Interest - Orders - Issued.

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INDUSTRIES & COMMERCE (INFRA) DEPARTMENT

G.O.Ms.No.20 Dated:07.2.2024.

Read the following:

1. From the Authorised signatory, M/s. Anrak Aluminium Limited Representations dated:21.9.2021, 10.11.2021 and 25.08.2023.
2. From the VC&MD., APIIC Ltd., single e-file bearing No.692/AMW/D8/MKP/08 (C.No.214565), dt.17.01.2024.
3. Minutes of the State Investment Promotion Board (SIPB) meeting held on 30.01.2024.

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ORDER:-

In the reference 1st read above, the project is based on the MoU entered between Government of AP and Government of Ras Al Khaimah on 14.02.2007 and with this MoU, a special purpose vehicle formed in the Anrak Aluminium Ltd. APMDC entered in to Bauxite supply agreement and project was fully implemented up to March 2013 and since then idle due to non-supply of Bauxite by APMDC as per agreement. APMDC cancelled Bauxite supply agreement in April 2016. M/s. Anrak Aluminium Limited vide letter dt.21.09.2021 has requested APIIC for Allotment of additional land Ac.300.09 cts and registration of Ac. 475.86 cts of land and handover possession of land Ac. 175.77 cts duly submitted the MOA & AOA, GST. Again the allottee vide letter dt.10.11.2021 has represented for support of the Govt/APIIC for revival of the unit duly requesting the following:-

a. Refund of deposit with APMDC for the bauxite mine.
b. Registration of allotted lands, allotment of additional land and waiver of service charges etc.
c. Waiver of land conversion charges.
d. Allotment and supply of industrial water by VIWSCO

(P.T.O.)

e. Tallapalem to Anrak site road no.1, highway no.159 - widening of the road.

f. Waiver of 220KVA line charges and restoration of power.

g. Recommendation to the Government of India (GOI) for coal and bauxite linkage.

h. Re-allotment of port land at Visakhapatnam Port Trust (VPT)

2. They have further submitted that they have implemented 1.5 MTPA Alumina refinery with 225 MW co-gen power plant with feed stock of Bauxite from Jeralla Block of mines as per Bauxite supply agreement with APMDC. The SBI have funded the project and was fully implemented by March-2013. As the APMDC cancelled the Bauxite supply agreement in April-2016, the lenders moved to NCLT for the recovery. For revival of the unit, promoters have initiated effective steps like recruited required man power, obtained 220KV power connection and talking to the equipment suppliers for commissioning the equipment, procuring the major spare parts; received first shipment of imported Bauxite to charge Bauxite by the end of Jan-2022. They further informed that land allotted (1925 acres) was fully developed and used for the construction of refinery assets, power plant and associated infrastructure viz

1.	Refinery	-	242
2.	Smelter area	-	323
3.	Red mud pond & Process pond	-	216
4.	Hostel Area	-	7
5.	Township	-	30
6.	Raw water pond area	-	165
7.	Balancing water pond area	-	210
8.	Roads & drains	-	80
9.	220 KV Witch yard	-	6
10.	Green belt	-	646
	Total		1925.

3. Further, they have requested additional lands for the following requirement viz.

- Bauxite unloading at rail yard
- Coal Unloading at rail yard
- Limestone unloading at rail yard
- Caustic unloading at rail station
- Fuel unloading at rail station

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- Alumina loading facilities at rail yard
- Additional Bauxite storage yard because major raw material are imported
- Coal Storage yard
- Locomotive and General Workshop
- Red Mud utilization facilities
- Lime Plant
- Green Belt

Thus, the allottee has requested for additional land (Allotment of additional land Ac.300.09 cts and registration of Ac. 475.86 cts of land, including the lands handed over for safe-guarding purpose) at the earlier price as a support to the staled project as a part of industrial development in the state of A.P.

4. In the reference 2nd read above, the VC&MD., APIIC Ltd., has informed that,

- APIIC filed requisition for acquisition of Ac.2069.49 cts of Patta Land (for which awards were passed) and also an extent of Ac.334.95 cts of Govt. Land which was alienated in favour of APIIC in the year 2009 vide G.O.Ms.No.744, dt.20.07.2009. Thus, the total extent of land in the possession of APIIC in Makavaripalem is Ac. 2404.44 cts covered in 4 villages i.e., Rachapalli, G.Koduru, Tamaram & BB Palem villages.
- Initially, pending finalization of land cost, an extent of Ac.1925.36 cts out of the total extent of Ac.2404.44 cts was allotted M/s. ANRAK Aluminium Limited Company at Rs.2,51,000/- per acre for patta land and Rs.2,32,000/- per acre for Govt. land and Deed of Sale was executed on 19.02.2009. During execution of Sale Deed, M/s Anrak Aluminium Ltd., submitted an undertaking dated 19-02-2009 stating that it shall pay the differential land cost after the prices are fixed by APIIC
- Further, the Company has requested for execution of sale deed for 172.69 acres which was handed over to M/s. ANRAK Aluminium Limited Company in 2009 for safe-guarding purpose.
- Subsequently, the land rate was fixed for an extent of Ac.2230.27 cts (Patta land Ac.1895.32 cts + Govt. land Ac.334.95 cts) @ Rs.2,83,341/- per acre in the year 2013.
- Accordingly, advised the allottee to pay the difference in land cost and other charges. But the allottee has not paid the differential land cost and other charges.

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- The PF&IC meeting held on 14.12.2023 recommended the cost of the balance land measuring an extent of Ac. 178.44 cts at Rs.88/- (Rupees Eighty Eight only) per square meter i.e., Rs.3,56,136/- (Rupees Three Lakhs Fifty Six Thousand One Hundred and Thirty Six Only) per acre for allotment under LA For Others Category excluding R&R cost (NALA charges has to be borne by the allottee).
- On the request made by the Company to calculate the land cost for entire land Ac.2404.44 i.e., (Ac.1925.36 + Ac.172.69 + Ac.306.39), APIIC (Finance Wing) has calculated the amount for the total extent of Ac.2404.44 and arrived at Rs.100.32 Crores and this amount includes (which includes R & R cost, Process fee and Service Charges)
- Duly taking into consideration, the total amount of Rs.72.91 Crores deposited by the company from time to time under LA for Others, the balance land cost payable is Rs.27.41 crores for which interest accrued is Rs.56.24 crores for which GST is payable @18% is Rs.10.12 crores.
- Thus, the APIIC has conveyed that the total dues payable by M/s. Anrak is Rs.93.77 Crs. (Prl. Rs. 27.41 Cr + Int. Rs. 56.24 Cr + GST Rs. 10.12 Cr) as on 31.12.2023 (Calculation sheet is attached at Annexure) and accordingly, advised the company to pay the difference in land cost and other charges.

5. On the above communication by the APIIC, vide reference 1st read above, M/s. Anrak Aluminium Limited has informed that the direct manpower as on date is 267, indirect manpower is 720 and it will go to up to 1000 direct and 5000 indirect manpower once they start regular operations and on completion of additional infrastructure facilities. Timelines for completion of additional infrastructure facilities 9-15 months from the date of handing over of the requested additional lands to the company by APIIC. M/s. Anrak Aluminium Limited has informed that, the company had gone through a lot of hardships and struggles over the last 8-9 years, for no fault of it and was required to keep the refinery in operational for almost 9 years. The Project being idle since March 2013, on account of cancelling of Bauxite supply agreement by APMDC. Further, the company requested the support from Government of AP and requested to consider the following:-

1. Waiver of service charges: Keeping in view of project being idle since March 2013 on account of cancellation of Bauxite supply agreement by APMDC.
2. Waiver of processing fees: Keeping in view of project being idle since March 2013 on account of cancellation of Bauxite supply agreement by APMDC.

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3. Waiver of interest: Basically, the interest was levied on service charges and processing charges. The entire land cost along with other cost were paid before registration of lands.
4. Allot additional lands of 300.21 acres at the old prices
5. Allot and register additional lands of 175.65 acres at old price.
6. Change in name of the Company from M/s. Anrak Aluminium Ltd. to M/s. Pioneer Industries Ltd.

6. The company further informed that the Company proposes to complete all project works on the additional extent in 15 months; the additional extent of 479.08 acre is for infrastructure works only and no manufacturing activity is being proposed. No augmentation of capacity of its completed Aluminium refinery plant which is established in 1925.36 acres is proposed; the allottee has requested for additional land at the earlier price as a support to the staled project as a part of industrial development in the state of A.P.; Further submitted that vide letter dated 23.11.2021, the District Collector, Visakhapatnam informed that the request of M/s Anrak for laying railway line between Bayyavaram railway station to M/s Anrak site was considered by the Govt Vide GO Ms No 274 dated 04.10.2021.

7. The VC&MD., APIIC Ltd., has requested the Government to issue necessary orders on the following as requested by M/s. Anrak Aluminium Limited:-

a. Waiver of process fee, service charges and interest on differential land cost for the extent of Ac.1,925.36 cts for which sale deed already executed and registered pending finalization of land cost.
b. Allotment of additional land measuring an extent of Ac.479.08 cts at the old rate i.e., Rs.2,83,341/- instead of present land cost of Rs.31,36,425/- per acre which is valid up to 31.03.2024.
c. Change of name of the company from M/s. Anrak Aluminium Limited to M/s. Pioneer Aluminium Industries Limited, as the company in their letter dt.25.08.2023 informed that the company name has been changed to M/s. Pioneer Aluminium Industries Limited.

8. Accordingly, the request of the Company has been placed before State Investment Promotion Board (SIPB) meeting held on 30.01.2024 with the recommendations of the State Investment Promotion Committee (SIPC) in its meeting held on 29.01.2024.

9. In the reference 3rd read above, the SIPB has discussed the proposal and recommended that;

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i. Allotment of Addl. land of 479.08 acre (Ac. 306.39+ Ac. 172.69) in favour of M/s. Pioneer Aluminium Industries Ltd., for railway sliding, Raw Material Unloading & Storage, Burnt Lime, Locomotive and General Workshop, Green belt.
ii. Change in name of the Company from M/s. Anrak Aluminium Ltd. to M/s. Pioneer Aluminium Industries.
iii. Waiver of Process Fee and Service Charges including Waiver of Interest.

10. Government after careful examination of the proposal, hereby approve the requests of the M/s. Anrak Aluminium Limited., for the following:-

i. Allotment of Addl. land 479.08 acre (Ac. 306.39+ Ac. 172.69) in favour of M/s. Pioneer Aluminium Industries Ltd., for railway sliding, Raw Material Unloading & Storage, Burnt Lime, Locomotive and General Workshop, Green belt, etc.
ii. Change in name of the Company from M/s. Anrak Aluminium Ltd. to M/s. Pioneer Aluminium Industries.
iii. Waiver of Process Fee and Service Charges including Waiver of Interest.

11. The VC&MD, APIIC Ltd., Shall take necessary action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N. YUVARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Vice chairman & Managing Director, APIIC, APIIC Tower,
IT Park, Mangalagiri, Guntur District, A.P.-522503.
The Commissioner of Industries, APIIC Towers, 8th floor,
Mangalagiri, A.P.-522 503.
Copy to:
The Authorised Signatory, M/s. Anrak Aluminium Limited.
The General Administration (Cabinet) Dept., A.P. Secretariat.
(W.r.t the U.O.No.33/2024, dt.01.02.2024).
The P.S to Special Chief Secretary to Hon'ble Chief Minister, O/o the CMO.
The P.S.to Hon'ble Minister (III&C and IT), A.P. Secretariat.
The P.S to Chief Secretary to Government, A.P. Secretariat.
The P.S to Secretary to Government & CIP, Ind. & Com. Dept,
A.P. Secretariat.
SC/SF.

//FORWARDED : : BY ORDER//

SECTION OFFICER

8502435/2024/INFRA-INC01

(Annexure to G.O.Ms.No.20, Industries & Commerce (Infra) Dept., Dated:07.02.2024)

Annexure on the Calculation sheet

Description	Extent in Acs.	Rate per acre	Total cost in (Rs.)
Cost of Patta land & Govt. Land fixed in the year 2013 (Patta land Ac.1895.32 cts + Govt. land Ac.334.95 cts)	2230.27	2,83,341.00	63,19,26,932.00
Balance Patta land Acs.178.44 cts, land cost fixed in PF & IC meeting held on 14-12-2023	178.44	3,56,136.00	6,35,48,908.00
Total cost of land	**2408.71**		**69,54,75,840.00**
Add: R & R			
Land cost paid for DKT and encroached land at Tamram (V) for implementation of R&R	47.54	1,20,074.84	57,08,358.00
TOTAL:	**2456.25**		**70,11,84,198.00**
Construction of Structures cost etc., to 170 plots @ Rs.85,000/- per house hold			1,44,50,000.00
One time Allowance @ Rs.50,000/- for 111 beneficiaries of G.Koduru			55,50,000.00
PAF's of 4 Villages 2580 families @ Rs.50,000/- each			12,90,00,000.00
Total Land cost including R & R			**85,01,84,198.00**
Add: Process fee @ Rs.10,000/- per acre (Acs.2456.25 cts X 10,000/-)			2,45,62,500.00
GST @ 18% on Process Fee (Rs.2,45,62,500/- X 18%)			44,21,250.00
Add: Service Charges @ 15% on Land Acquisition cost (Rs.70,11,84,198/- X 15%)			10,51,77,630.00
GST @ 18% on Service Charges (Rs.10,51,77,630/- X 18%)			1,89,31,973.00
GRAND TOTAL as per LA for others circular			**1,00,32,77,551.00**
Less: Already Paid by M/s. AnrakAluminium Limited			72,91,47,618.00
Balance land cost to be paid			**27,41,29,933.00**
Add:Interest			
@ 12% from 01-09-2009 to 30-06-2010 (303 days)			2,73,07,848.00
@ 16% from 01-07-2010 to 31-12-2020 (3837 days)			46,10,79,037.00
@ 9% from 01-01-2021 to 31-12-2023 (1095 days)			7,40,15,082.00
GST @ 18% on interest (Rs.56,24,01,967.00 X 18%)			10,12,32,354.00
Total Land cost to be paid as on 31-12-2023			**93,77,64,254.00**

N. YUVARAJ
SECRETARY TO GOVERNMENT & CIP